

OVERSEAS NEWS

US ready to order repairs on Boeing 727s

By Roderick Oram in New York

THE FEDERAL Aviation Administration is about to order remedial repairs on 831 older Boeing 727 airliners following the sudden fuselage rupture of one of them flying over West Virginia on Monday.

The FAA ordered that some 8,000 rivets be replaced on more than 100 Boeing 727s made before 1971. Up to that date, Boeing had used a cold bonding process and flush-fitting rivets to hold fuselage panels together.

Although 291 Boeing 727s were made by the cold bonding process, the FAA rule applies only to the 100 or so aircraft operated by US airlines. It does not have the force of law for foreign operators.

Boeing and the National Transportation Safety Board said they were still investigating the cause of the rupture on Monday.

A 5-inch (12.7 centimeter) crack had been found on the fuselage in an inspection in July 1986, although the plane had been cleared to fly in an inspection as recently as September.

Moscow plans legal crackdown on activists

By Our Foreign Staff

IN TWO separate announcements yesterday, the Soviet Union's legal authorities outlined plans to crack down on one group of troublesome activists while giving greater freedom to another.

The legal crackdown is directed at the rights of Armenians and Azerbaijanis who are stirring up ethnic feelings in the USSR's southern republics.

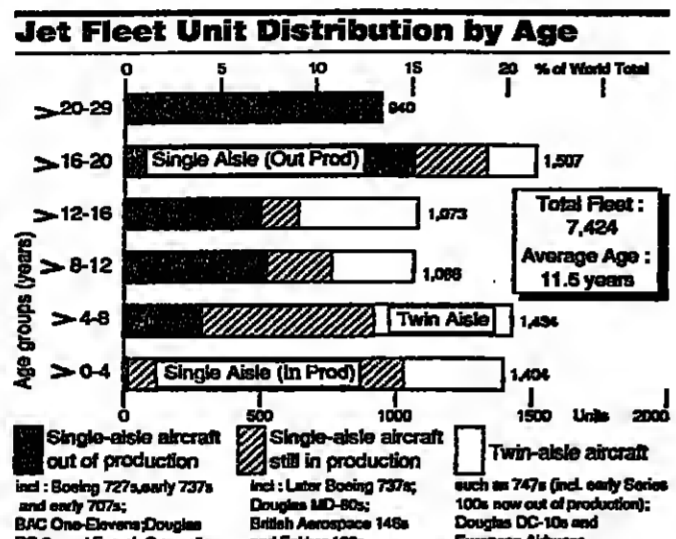
The Soviet news agency Tass reported yesterday that a recent plenary session of the Supreme Court had agreed a definition of charges that may be brought under a law against whipping up ethnic tensions.

The law, contained in Article 190, paragraph one, was adopted in 1966 shortly after the infamous trial of the writers Andrei Sinyavsky and Yuly Daniel, a case which heralded a 20-year-long official crackdown on dissent.

Growing problem of the geriatric jets

Michael Donne looks at aircraft called into question because of their age

THE EMERGENCY landing of an Eastern Air Lines 22-year-old Boeing 727 at Charleston, West Virginia, on Monday after part of the rear fuselage tore apart during flight has highlighted again the growing problem of the "geriatric jets" - aircraft whose structural integrity begins to be called into question simply because of their age.



manufacture of pressurised structures and about structural integrity. It says, for example, that derivative models such as the 737-200 and the 737-300 have an in-service life-expectancy of between 25 and 30 years, while the latest advanced technology jets such as the 737-300, 400 and 500 Series and the 747-400 have a life expectancy of between 28 to 32 years.

example, a Boeing pressure structure is designed for a minimum of 17.2 lbs per square inch, when the maximum ever expected is 6.6 pounds per square inch. It therefore follows that commercial aircraft structures can withstand a large degree of damage and still be airworthy," said Mr Cosgrove.

Determining at just what point any airliner becomes unsafe to fly is difficult. Through stringent tests in the design and development phase, a "fatigue life" of many thousands of hours of flying, or "cycles" (one take-off and landing cycle) is established for any new aircraft type before an airworthiness certificate is awarded.

Constant monitoring follows, and modifications may be ordered by manufacturers or regulatory agencies, or both, to ensure that the aircraft remains safe. After Monday's incident, the replacement of some rivets in over 800 Boeing 727s still in the US fleet is expected to be ordered soon by the Federal Aviation Administration.

when production ended, early models of the 737 (which entered service in 1957 and is still in production with 2,267 ordered to date), early McDonnell Douglas DC-9s, and British Aircraft Corporation One-Elevens.

The retirement of these older short-to-medium-range jet airliners is already accelerating, as evidenced by the big inflow of new orders during the past year for new versions of the Boeing 737 and Douglas MD-80 short-to-medium-range jets and for the latest Series 400 model Jumbo.

The Boeing view was widely adopted throughout the world, had shown time after time that it was a matter of time before an aircraft long before it became a hazard to safe flight.

Minister 'received Recruit donations'

By Our Foreign Staff

JAPAN'S new Justice Minister, Mr Takashi Hasegawa, has been receiving regular political donations from the company enmeshed in a major political scandal, according to the Japanese media.

office on Tuesday, he said he had nothing whatever to do with Recruit.

Mr Kishi Miyazawa resigned as Finance Minister recently after admitting receiving shares from Recruit Cosmos.

Yesterday, Mr Takeshita promised priority to reforms in politicians' fund-raising methods.

Chile opposition rejects meeting with minister

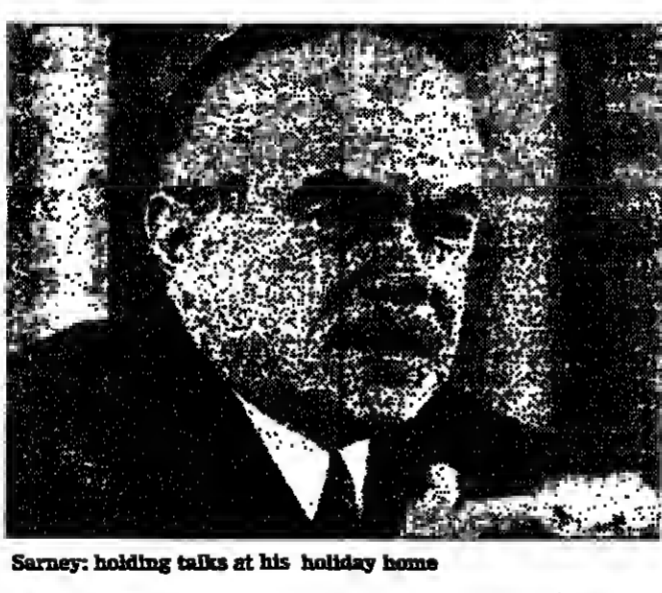
By Barbara Durr in Santiago

CHILE'S opposition coalition has rejected a meeting with the military government under the conditions set by the regime.

Brazilian black economy roars ahead

By Ivo Dawnya

CONFLICTING figures showing falling Brazilian industrial output yet stable employment rates and growing energy consumption indicate that the country's black economy is roaring ahead as the official statistics struggle with the continuing crisis.



Sarney: holding talks at his holiday home

workers entering official employment. A major factor behind this growth comes from requirements in the new Constitution giving substantial improvements in workers' rights in such areas as working hours, overtime and maternity leave.

The coalition accused the Government of simply engineering a public relations stunt to appear willing to hold talks when "in reality, it has no desire to alter the constitutional changes that the people want".

The figures, published in the business daily, Gazeta Mercantil, appear to confirm growing suspicions that a substantial proportion of Brazilian production is seeping into the black economy, where it avoids taxation.

Higher corporate tax rates due to come into force next month are expected to accelerate this process.

Research by the trade union study group Dieesse, in conjunction with the Sao Paulo think-tank, Seade, adds that over the past year the number of unregistered workers coming on to the labour market in Brazil has tripled compared to those

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Sri Lanka plans probe into De Mel allegations

By Our Foreign Staff

THE Sri Lankan Government said yesterday it was setting up a commission to investigate allegations that former Finance Minister Ronnie De Mel had received unlawful payments from two British companies.



De Mel: left the country

It said the commission would also probe companies in which Mr De Mel or members of his family had any financial interests.

They said it would also investigate if Mr De Mel had received other payments from foreign banks wishing to open offices or to continue doing business in Sri Lanka.

Brazil braces for fresh economic package

By Ivo Dawnya in Rio de Janeiro

BRAZIL is bracing itself for yet another economic package, probably in the New Year, as advisers to President José Sarney battle for influence over a strategy to combat record inflation.

The rate of price rises is expected to exceed 28 per cent this month.

Higher corporate tax rates due to come into force next month are expected to accelerate this process.

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man of monetarist economics who was Finance Minister in the 1964 military government of General Humberto Castelo Branco.

US to raise spending on plant in 1989

By Our Foreign Staff

US BUSINESS plans to spend 5.9 per cent more on plant and equipment in 1989 than in the current year, the US Department of Commerce said yesterday, writes Anthony Harris in Washington.

Security Minister Lalith Athulathmudali said last week that Mr De Mel left the country after Mrs Sirima Bandaranaike, the Freedom Party candidate, lost the December 19 presidential election.

Government sources said the commission would probe allegations that Mr De Mel had received unlawful payments from a British company involved in building a dam in Sri Lanka and another connected with a currency printing plant.

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OVERSEAS NEWS

Italian unions threaten strike over tax decrees

By Alan Friedman in Milan

ITALY'S three major trade unions yesterday threatened to stage a general strike in protest at a package of government decrees which include increases in sales tax on household items and a partial amnesty for tax evaders.

US urges allies to boost joint defences

THE United States yesterday urged its allies in Europe and Asia to boost their contribution to mutual defence.

"The European countries, Japan as well, can afford to invest more in their defence programmes than they are doing today. They should do this, the requirement is there, the ability to pay is there.

Big spenders in West Berlin

Leslie Colitt reports on diverse destinations for taxpayers cash

DESPITE its ascetic Prussian past, West Berlin has developed a reputation as a big spender - of the subsidies it receives from Bonn.

Some 52 per cent of the city's budget of DM2.4m (\$13.5m) this year was provided by the West German taxpayer.

better study facilities and cheaper housing. As in 1968, they also protested against attempts to re-establish the "dictatorship" of their professors.

One thing the students are not going to get is cheaper flats. West Berlin, which in the 1960s was called a dying city, has gained thousands of Turkish, East German as well as ethnic German emigrants from the Soviet Union and Poland.

Fuel costs to jump as Poland ends rationing

By Christopher Bobinski in Warsaw

PETROL rationing, which has been in force in Poland since the beginning of 1982, is to be lifted at the start of the new year and there is to be a big increase in fuel costs.

NOTICE OF RESUME To the Holders of NIPPON TELEGRAPH AND TELEPHONE CORPORATION

(Formerly Nippon Telegraph & Telephone Public Corporation) ("NTT") U.S. \$50,000,000 10% per cent. Guaranteed Notes 1990

Table with 10 columns: SERIAL NUMBERS OF NOTES CALLED FOR REDEMPTION, showing serial numbers and corresponding values.

Payment of the Redemption Price will be made upon presentation and surrender of the Notes called for redemption...

Morgan Guaranty Trust Company of New York in Brussels, The Bank of Tokyo, Ltd. in London and Paris, Industriebank von Japan (Deutschland) A.G. in Frankfurt...

Mikulic thwarted over budget

By Judy Dempsey in Vienna.

YUGOSLAVIA'S Prime Minister, Mr Branko Mikulic, who is already under pressure to resign for his apparent failure to stabilise the economy, yesterday seemed unable to push through next year's budget after growing opposition from some of the republics.

The federal budget of 20,000,000 dinars (\$2.5bn) represents 5.5 per cent of the country's Gross National Product and is mostly financed by sales taxes.

Bulgaria ends jamming of US radio By Our Correspondent in Vienna THE BULGARIAN authorities last week ended jamming of Radio Free Europe, the US broadcasting station based in West Germany.

But some other stations, including Radio Peiking, Radio Tirana and Turkish Radio, remain jammed, according to specialist radio engineers.

The decision to end the jamming of RFE follows major changes in the Soviet Union which earlier this month allowed both RFE and Radio Liberty, the other US radio station, to broadcast almost all its languages into the Soviet Union without interference.

In excerpts from his memoirs published in the Hamburg news magazine Der Spiegel, Mr Guillaume, who worked as personal assistant to Mr Brandt between 1974 and 1974, delivers insights into how he smuggled to East Berlin secret Nato papers and a letter to the Chancellor from President Richard Nixon.

Accompanying Mr Brandt on a holiday in Norway in July 1974, Mr Guillaume had daily access to classified government documents transmitted from Bonn, above all dealing with discussions with the other Western allies over American nuclear policy.

Top E German spy tells of smuggled secrets

By David Marsh in Bonn

A CORNER of the veil over the workings of the East German secret service has been lifted by Mr Günter Guillaume, the East Berlin spy who caused the resignation in 1974 of West German Chancellor Willy Brandt.

The document hints that the East German spy was very much aware of the irony that the spy case would lead to the downfall of a Chancellor who had paved the way for normalising East-West German relations after the rigours of the Cold War.

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West German newspapers may end Cold War By David Marsh THE East German government marks around the initials for the German Democratic Republic as a means of denying the legitimacy of the East German state.

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UK ECONOMIC INDICATORS

Table with 7 columns: Index, 1987, 1988, etc. showing economic activity indicators.

OUTPUT - By market sector

Table with 7 columns: Index, 1987, 1988, etc. showing output by market sector.

EXTERNAL TRADE - Index of export and import values

Table with 7 columns: Index, 1987, 1988, etc. showing external trade indicators.

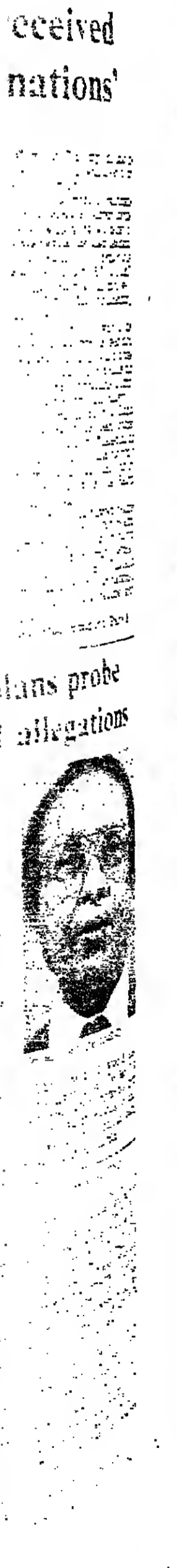
FINANCIAL - Money supply M1, M1 and M3

Table with 7 columns: Index, 1987, 1988, etc. showing financial indicators.

INFLATION - Index of earnings

Table with 7 columns: Index, 1987, 1988, etc. showing inflation indicators.

That changes in accounts containing, excluding bank loans.



received nations'

plans probe allegations

OVERSEAS NEWS

HK video-cassette makers to fight EC dumping move

By Michael Murray in Hong Kong
evidence of dumping, will help fight the EC action.
Similar anti-dumping investigations by the EC against local manufacturers were on the increase, he added.

Mahathir rules out hope for early election

By Robin Pauley, Asia Editor
NO PROSPECT exists of an early election in Malaysia, and allegations that the government might engineer a state of emergency for its own electoral purposes are baseless, according to Dr Mahathir Mohamed, the Prime Minister.

Soviet troops dig in for a nightmare winter

Snowbound mountains prevent effective fighting, Mujib Khan reports from the Afghan-Soviet border

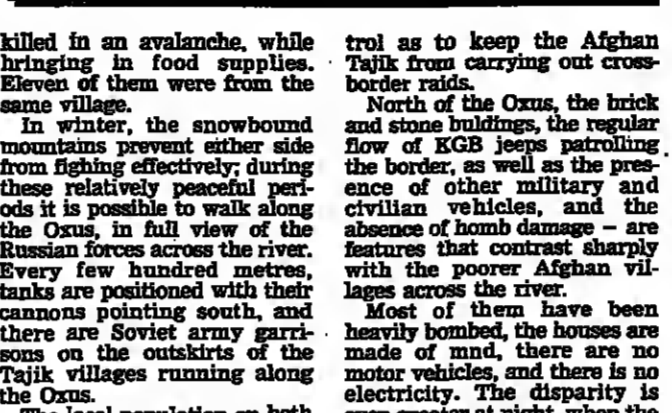
THE Soviet occupation of Afghanistan entered its tenth year on Tuesday, an anniversary the Soviet Union was hoping to avoid.

to bring in essential food supplies. The victims are usually young men and their dependent families. Last January, 14 out of a group of 17 men were

the Soviet authorities in Moscow have sent troops from the more trusted central states to guard the Soviet-Afghan border, as much to keep the Soviet Tajik under their con-

strong enough to withstand aerial bombardment, and it has been through low-level helicopter attacks that Soviet troops have caused the heaviest damage. Apart from dropping

Throughout the past decade, no fully qualified doctor has been to Darwaz. Medical care is limited to a few paramedics who have been given six-month training courses in



killed in an avalanche, while being in food supplies. Eleven of them were from the same village.

trol as to keep the Afghan Tajik from carrying out cross-border raids. North of the Oxus, the brick and stone buildings, the regular flow of KGB jeeps patrolling the border, as well as the presence of other military and civilian vehicles and the absence of bomb damage — are features that contrast sharply with the poorer Afghan villages across the river.

During the long snowbound winters, entire villages suffer continuously from epidemics of influenza, pneumonia, bronchitis, rheumatism, and other illnesses. Simple battle wounds often become fatal, because of the lack of appropriate medical aid.

During the long snowbound winters, entire villages suffer continuously from epidemics of influenza, pneumonia, bronchitis, rheumatism, and other illnesses. Simple battle wounds often become fatal, because of the lack of appropriate medical aid.

Until their arrival early last year, low-flying helicopters and jets attacked villages and Mujahideen bases at will because of this threat. Mujahideen convoys were forced to travel at night.

Seoul expects \$14bn current account surplus

By Maggie Ford in Seoul
SOUTH KOREA expects a current account surplus of \$14bn (£7.7bn) this year — double the government's original target — as a result of its record export performance last year.

Gandhi set to sign accord with Bhutto

By K.K. Sharma in New Delhi
MR. RAJIV Gandhi, India's Prime Minister, leaves for Islamabad today for talks with Ms Benazir Bhutto, Pakistan's new Prime Minister, amid hopes that both countries will ratify an agreement made in 1973 to settle each other's nuclear facilities.

Likud wants to reform poll system

By Eric Silver in Jerusalem
THE seven weeks of horse-trading it took Mr Yitzhak Shamir to put together a coalition with Israel's religious parties that right-wing Likud Party that Israel must reform its electoral system before the next polls.

Sudanese call for Premier to resign

THOUSANDS of Sudanese poured on to the streets of Khartoum yesterday, demanding the government should resign, while trade unions also called an indefinite strike to protest at price rises, Reuters reports from Khartoum.

Rediscovering the past, for better or worse

By A.H. Hermann, Legal Correspondent

This was the year when both China and the Soviet Union started in earnest to rediscover their legal past. China tried hard to evolve laws to fit its new business aspirations, and its lawyers contorted themselves to do so without mentioning the word "property".

another move away from the spirit of international co-operation which moved the US to sign and ratify the convention. By contrast the Securities and Exchange Commission (SEC) seeks greater co-operation from other supervisory authorities and in exchange offers to help with their US investigations of suspected infringements of foreign security laws. An act giving the SEC powers to provide such help was signed by President Reagan this month.

Both the US and the EC rediscovered anti-dumping laws as an instrument of protectionism. The US trade legislation gives the executive great powers of retaliation when US exports are hampered in foreign markets — powers so great that they could be easily used as a barrier to imports on the flimsiest justification.

the Morris decision did not increase the Commission's powers under Article 85 of the Treaty of Rome, the Commission is using this decision as a bogey with some success. This is welcomed by companies threatened by hostile bids, such as Plessey, and in this way the interpretation of the decision, though wrong, becomes effective in practice.

On one hand, there is, no doubt, logic in the proposition that mergers with an international dimension cannot be very well controlled by national authorities, and that they could be better controlled by the Community or an even more widely based authority. On the other hand, Brussels-based merger control, combined with the Commission's mounting protectionism and preference for cartels in which it can have the decisive say, coalesces up a vision of the dirigisme of the 1930s.

Throughout the year the Commission continued its struggle for greater power — or "competence" as they call it in Brussels — taking member governments to the European Court either individually or collectively, as the Council of Ministers. Sometimes there were sound reasons for the action, when member states failed to implement rules to which they agreed. But sometimes the actions seemed petty, as when the Commission asked for the annulment of Council Directives only because they referred to an article of the Treaty of Rome which the Commission did not like, as a matter of principle, because it required unanimity, though

the directive had been passed as drafted by the Commission. The Community legislation required for the achievement of a "single market" progressed apace but enthusiasm for 1992 cooled down as it became evident that dismantling barriers to trade between member states might provide bricks for a Chinese wall around the Community and that a liberalisation of national regulatory regimes could reinforce the dirigiste tendency of the Commission.

BUSINESS LAW

WE THOUGHT OUR 16 VALVE ENGINE WAS INCOMPARABLE. APPARENTLY NOT.

This Vauxhall has the most eager engine you'll encounter this side of a Porsche Flat 6.

Hmm. The quote above was found in the May 1988 issue of 'Car' magazine.

Reinforcing the belief, it seems, that Vauxhall can build a good engine. Then again, it's not just a good engine. It's our best.

You see, we gave our engineers a bit of a problem.

"Build an engine that is not only flexible but with high power. Make it quiet, fuel-efficient and low on exhaust emissions.

Finally, it has to be easy to maintain but durable, compact and low in weight." Some problem.

But as we expected, they delivered the goods.

In the shape of the new Vauxhall 2.0 litre 16 valve engine. It pushes out 150 bhp.

And, when fitted in the Astra GTE, powers it from 0-60 in 7.6 seconds, and up to 135 mph.

Its real beauty, however, is its immediate and

powerful response to a demand for acceleration, (i.e. put your foot down and it goes like lightning).

Much of this is thanks to the introduction of the Bosch M2.5 Motronic engine management system.

A most important function of which is its Sequential Fuel Injection.

A bit of technical flim-flam that means the exact amount of fuel goes to each cylinder exactly when it is needed. Result: Instant exhilaration.

Nevertheless, this is just a start. As we speak, our designers are developing far superior engines.

So keep your eyes peeled on the car mags.

One day you may see a cutting that compares a Porsche Flat Six to a Vauxhall engine.



**VAUXHALL. ONCE DRIVEN,
FOREVER SMITTEN.**

UK NEWS

SEARCH OF FARMLAND AROUND LOCKERBIE 'HAS ONLY JUST BEGUN'

Wreckage may yield first clue to identity of terrorists

By Lionel Barber in Washington and Andrew Gowers in London

THE BRITISH Government's statement yesterday that there is conclusive evidence that a bomb caused the crash of Pan Am 103 opens a new phase in the official inquiry.

THE FOLLOWING is the statement released by the Air Accidents Investigation Branch of the Department of Transport on the Lockerbie crash.

A number of items of wreckage, passenger baggage, and part of the framework of a metal luggage pallet are being examined by Ministry of Defence scientists.



Joint operation: Federal Bureau of Investigation agent Jim Darrch (left) with the Assistant Chief Constable of Dumfries and Galloway Paul Newell

The main task of British investigators, working side by side with the US Federal Bureau of Investigation, will be to search for more evidence on the type of explosive and the bomb detonator used to blow the Boeing 747 out of the sky, killing all 259 passengers aboard.

However, it has been established that two parts of the metal luggage pallet wreckage show conclusive evidence of a detonating high explosive.

Much investigative work remains to be done to establish the nature of the explosive device, what it was contained in, its location in the aircraft, and the sequence of events immediately following its detonation.

attempt to reconstruct the identity of the explosive," the official said.

A primary goal, however, is to find the detonator, or parts of it, which may be numbered and therefore traceable to the original supplier and the buyer.

mount some spectacular terrorist outrage in order to discredit Mr Arafat's conciliatory line.

outflanked by Mr Arafat's current moderate tone.

The dissident groups are highly fragmented, but among the more active and organised is the Damascus-based Popular Front for the Liberation of Palestine-General Command, led by Mr Ahmad Jibril, which openly split with Mr Arafat in the early 1980s.

The focus of attention now is Iran, and more particularly hard-line Iranian or pro-Iranian groups. Ayatollah Ruhollah Khomeini, Iran's spiritual leader, called for a "fully fledged war" against the US and its allies last July, one day after an American warship was shot down in the Persian Gulf.

Proposed bill 'threat to unitary boards'

By Ivor Owen

SHAREHOLDERS in Britain's largest companies will be able to secure the appointment of audit committees composed of independent directors under the terms of a private member's bill to be introduced in the Commons next month by Mr Tim Smith, Conservative MP for Beaconsfield.

Handful of hopefuls in talks on Giro sell-off

By David Barclay

POTENTIAL buyers of Girobank, the Post Office banking subsidiary being sold to the private sector, have been whittled down to a handful of likely candidates.

Diesel car market share 'will ease'

By Kevin Done, Motor Industry Correspondent

THE SHARE of diesel-engined cars in the West European car market is expected to decline modestly during the next five years from a peak of 17 per cent reached in 1986, according to a new study.

Peak Jaguar output undershoots forecast

By Our Motor Industry Correspondent

JAGUAR, the UK luxury car maker, increased its production in 1988 by 8 per cent to a record 51,593 cars. However, that was below the company's forecast of 56,000, which was made as recently as March this year.

Imports still squeezing footwear industry

By Alice Rawsthorn

THE BRITISH footwear industry faces increased pressure on output and profitability as it enters the new year having faced a fresh influx of imports in the autumn.

Police probe Aveling fund

POLICE yesterday launched an investigation into an apparent deficiency of at least £1m in the pension fund of Aveling Barford, the engineering company based in Grantham, Lincolnshire, that went into receivership this year.

Barford's Grantham engineering works.

The commercial branch of the Lincolnshire force was conducting the inquiry at Aveling's

It makes dumper trucks and cranes for the construction industry.

THE ROYAL BANK OF CANADA US\$350,000,000 Floating Rate Debentures due 2005

LEGAL NOTICES IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION

ORION ROYAL BANK LIMITED Agent Bank and Principal Paying Agent

QUEBEC CENTRAL RAILWAY COMPANY 4% FIRST MORTGAGE DEBENTURE STOCK

DESTINATION UNKNOWN? But not for long. Choose one from the WEEKEND FT'S HOLIDAYS AND TRAVEL SECTION, EVERY SATURDAY, FROM DECEMBER 31st.

Contractors 'hit target more often'

By Andrew Taylor, Construction Correspondent

THERE has been a sharp improvement in the ability of British construction companies to complete contracts within budget.

SLD only alternative to Tories, Ashdown says

By Ivor Owen

ONLY the Social and Liberal Democrats can offer the prospect of a genuine alternative to Conservative rule in Britain, Mr Paddy Ashdown, the party leader, says in a new year message issued today.

Kitchen appliance makers fear high interest rates

By Christopher Parkes, Consumer Industries Editor

CONSUMER IS growing that high interest and mortgage rates might hamper recent growth and profitability in the UK kitchen appliances market.

SNP hint of breakaway

THE SCOTTISH Nationalists threatened yesterday that if Mrs Thatcher failed to concede their demands they would "exert our national sovereignty and take our independence."

Government tops agenda

THE FUTURE government of Scotland is top of the agenda for the Labour Party in Scotland at its party conference at Inverness in March, according to a list of resolutions published yesterday.

Shipyard workers offered guidance

SHIPYARD workers made redundant by the closure of North East Shipbuilders at Sunderland are to be offered financial guidance at special sessions in the town.

هكذا من الأخبار

McAlpine withdraws from government training plan

By Charles Leadbeater, Labour Editor

ONE OF the largest employers involved in the Government Training, the Government programme for the long-term unemployed, refuses to join new schemes incorporating controversial pay rules.

The rules would mean trainees would receive an allowance of about £11 a week more than social security benefit entitlement. The is somewhat less than trainees received under the Community Programme, which is being replaced by ET.

The decision by Sir Robert McAlpine and Sons, the construction company, comes as Employment Department ministers today launch a major marketing initiative aimed at encouraging more large com-

panies to take part in the programme.

ET is intended to offer an average of six months' training to 600,000 unemployed adults a year through a mix of off-the-job training and work experience with employers.

Reports compiled by the Department of Employment's Training Agency show the programme, launched last September, has suffered from a shortfall of large employers willing to provide work experience placements. It is running about a quarter below target.

McAlpine's decision is a severe blow because it was one of a small minority of private sector employers involved in the Community Programme.

McAlpine says ET involves some fundamental changes in approach from that which successfully developed and employed under the Community Programme.

"Our experience on a current project in Leeds has shown that participants are not coming forward to work under the new Employment Training rules. Our Board of Directors has therefore, reluctantly decided to undertake no new schemes on this basis."

Many large manufacturing companies have not joined the programme, partly because of union opposition, but also because they judge the scheme will not help them fill vacancies for skilled workers.

Eurobond houses face penalties over Trax

By Norma Cohen

MANY Eurobond houses next week face the possibility of penalties levied by the Association of International Bond Dealers, the designated investment exchange approved under the UK's Financial Services Act.

At issue is the Eurobond market's new trade matching system, known as Trax, which members must use to meet the price transparency required of all securities exchanges operating in the UK.

While the AIBD has required its 112 market making members to begin using the system by January 3, only about 25 are doing so now and it is clear that many will be unable to do so by next week.

Those failing to meet the deadline will not be fined if they can demonstrate that all reasonable efforts were made to comply.

The AIBD's board has not yet agreed on specific penalties to be levied. But even the consideration of penalties pushes the organisation, once regarded as little more than a club, further into the role of a regulator - a role it has been extremely reluctant to adopt.

While the AIBD has set a deadline of January 3 for designated market makers to begin using Trax, the system will not become mandatory for all firms until April 3 when the price transparency requirements of the Financial Services Act take effect for all securities transactions.

The Securities and Investments Board, securities watchdog, says its only concern is whether AIBD members meet the April 3 deadline.

Growing wages gap behind rise in earnings

By John Gapper, Labour correspondent

A SUSTAINED increase in wage differentials between high and low-paid groups has been a hidden feature of the sharp rise in average earnings in Britain over the past decade, according to a study comparing international pay trends.

The study, which compares Britain and West Germany in detail, found that although average earnings - including overtime pay - in Britain rose by 17 per cent between 1979 and 1987, average wages - or basic pay - have risen by considerably less.

The study, prepared at a Trades Union Congress by a

West German researcher, Mr Armin Mittelstädt, found differentials between occupational and regional groups in West Germany have remained relatively stable.

The best-off British group have been professionals in the south-east.

Mr Mittelstädt found the average real annual wage increase in Britain since 1979 has been well above 2 per cent.

Between 1985 and 1987 British wage earners obtained an average real increase of about 4 per cent per annum, the report states. Most recent estimates suggest that 1988 will

show a similar trend.

The rise in real earnings over the period was 8.9 per cent in Britain.

Only Italy had a higher figure with 9.4 per cent, while several countries, including the US and France recorded considerably lower figures with 1.8 per cent and 3.4 per cent respectively.

However, the study found a significant widening in the distribution of earnings since the 1970s.

Although average earnings have risen by more than 25 per cent since 1973, the wages of average earners have risen by

about 15 per cent.

Mr Mittelstädt argues it would be "more reasonable" for trade unionists to talk about the wage developments of average earners - which include most union members - rather than developments in average earnings.

The study found the occupational wage structures in Britain narrowed until the late 1970s, and then widened sharply.

In Germany, there was only "a very small increase" in wage differentials between skill levels over the period.

American Airlines to use UK software for reservation system

By Alan Cane

AMERICAN Airlines is planning to use an innovative British computer software system to improve the competitiveness of its Sabre automated reservation system.

It has purchased an unlimited licence for the use of Automator software developed by Direct Technology of the UK. The deal will be worth about \$250,000 (£139,000) in the first year.

Automator, which has collected several awards, has been described as the world's first software robot.

It automates the operations of a personal computer or workstation, making tasks easier for the operator or carry-

ing out tasks that would be impossible for a human being.

Dr Stephen Norman, managing director of Direct Technology, gives the booking of airline seats as an example from the travel business.

Seat prices are frequently discounted as the departure day approaches.

Automator can be set to run on a travel agent's workstation so that it searches the airline schedules day after day, booking and rebooking until it finds the cheapest seat to suit the customer's requirements.

Dr Norman says this application of Automator is already causing some controversy in the travel business.

American Airlines says it will use Automator to update and control the Sabre system, without giving details of the individual projects.

Sabre has been a leading factor in maintaining American Airlines as the second-largest domestic carrier in the US.

Linking travel agents electronically with airline reservation schedules, it is said now to make more money for American Airlines than operating aircraft.

It now faces competition in Europe from Amadeus and Galileo, computer-based reservation systems being put together by consortia of European airlines.

Loans become a threat to homes

David Barchard on a warning to house owners as interest rates rise

FOR thousands of families across the UK, increased mortgage repayments are casting a shadow across the holiday season. Even people who have only faced moderate difficulties so far are aware that things are going to get much tougher in the new year after the next round of building society (savings institutions) mortgage rate increases.

"This is normally the quietest period of the year," says Ms Kay Birch, acting manager of Merion Money Advice Centre. "Around Christmas, people stop worrying about money until their problems catch up with them at the end of January. But this year, things are busy. I had three serious referrals yesterday and in two of them, people were faced with the possible loss of their home."

Mortgage rates for most borrowers have risen 3 percentage points since the spring, adding up to about 5% a month in extra payments on a £30,000 mortgage. That is not a particularly onerous amount for many families, but according to Mr Geoffrey Brown, a telephone financial advice counsellor on Housing Debtline, it has already upset earlier arrangements made by indebted people in the last 12 months.

He says: "The rise in the mortgage rate has led to people being unable to meet repayment arrangements they made on mortgage arrears and loans months back and they have now got to go back to the lender and try to redraft the agreement."

Although Housing Debtline is a Birmingham-based telephone service, Mr Brown identifies the south-east as the leading area for calls from people in trouble with their mortgages. Particularly vulnerable are people who bought during the spring and summer, when the housing boom was at its height.

"A lot of people got over-committed trying to meet the Chancellor's August deadline on mortgage income tax relief," says Ms Alison Skittrall, principal money adviser at Hounslow Advice Centre.

Mr Birch adds: "People who bought in the pre-August rush did so after a lot of encouragement to buy and take out mortgages. Now they may be in difficulties after they have been in their homes only a few months. They have an instant bad record from the lender and have built up no equity in the property."

Fears that house prices may be falling were fanned this

week by a study published by the Royal Institution of Chartered Surveyors showing that during the three months ending in November, 17 per cent of its members reported a fall in asking prices for houses. That was double the number in the previous three months.

It means that people in difficulty with their mortgages may not find it easy to follow the advice of their bank manager and sell off their property and move downmarket. "It isn't that easy anyway, especially for people in debt," says Mr Brown. "There are lots of hidden costs involved in moving."

A decision to sell early may be less prudent than it sounds if things go wrong, since it may lead a local authority to take the view that a person chose to become homeless.

Refinancing through a secured loan is even more dangerous. "Some people stumble into what I regard as extortionate secured lending at 33 per cent interest and a brokerage fee which can be £2,000 on top of £3,000 to try to finance their arrears," says Ms Birch. Money counsellors advise people to discuss the situation with their mortgage lender early on. That, however, is less easy to do if the mortgage comes from a centralised lender.

Building societies and other mortgage lenders generally wait until unpaid arrears total more than two or three months' instalments before setting in motion steps which may end in repossession.

For statistical purposes, they tend to regard arrears of more than six months as being serious defaults which show up in their records. Only a very small proportion of their lending will be over 7 per cent of the total ever get that deep into trouble.

But a much larger number of borrowers decide to sell up before that point is reached. Such people, trying to clear their debts by trading down in the market, would be particularly vulnerable if the house price index was falling.

"The building societies will not necessarily be as tolerant of arrears as they were in the past," says Dr John Gharis, financial analyst at the PA Consulting Group. "The structure of the housing finance industry has changed."

Those whose job is to advise people in debt feel that the scourge of mortgage indebtedness is only beginning. "February to March is the period when interest increases will really begin to bite," says Mr Brown.

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PROFILE
INFORMATION

Homeless doubled since 1979 amid housing crisis

By Joel Kibazo

AT LEAST 370,000 people, and probably many more, will begin the new year homeless, according to a report published today.

The report, from the housing pressure group Shelter, says the people who make up the 370,000 are those accepted as homeless by local authorities in 1987 - the last year for which there are complete figures.

However, the overall figure - including the "hidden homeless", which includes many groups such as the single homeless - may exceed 1m.

Shelter says the number of households which lacked a home in 1987 was practically double the figure for 1979.

The report links homelessness and the shortage of local government housing.

It says supply has outstripped demand, fuelled by rocketing house prices and rents.

Two factors are cited by the report for the local government housing shortage.

The first is the shrinkage in the stock of these houses.

This is largely due to sales under the Government's right-to-buy legislation.

The second is that many local government councils will build no homes in the coming year. This is at a time when waiting lists have never been longer.

Poor conditions, over-crowding, increasing numbers of people living in bed-and-breakfast and other types of temporary accommodation, said to cost millions of pounds, are part of the bleak picture painted by the report based on information from the pressure group's regional offices.

Shelter intends to use the report as the basis for a campaign on homelessness in the new year.

Ms Sheila McKeechnie, director of Shelter, said: "With many provisions of the new Housing Act coming into force on January 1, we think things look set to get worse."

Plea for business network

A LEADING information technology consultant is to appeal to the Government to consider using the planned fifth television communications network rather than for more commercial television, writes Raymond Snoddy.

Mr Stephen Castell, business development consultant for BBC Enterprises, the comm-

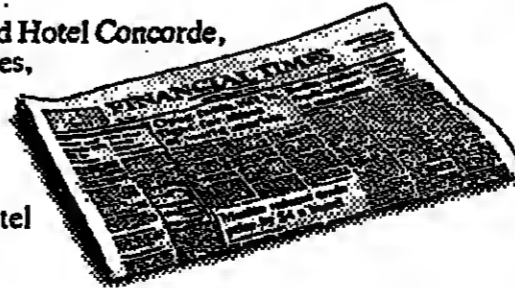
ercial arm of the BBC, who also carries out consultancy work for British Telecom, believes the concept could revolutionise UK business communication.

If the frequencies being made available for the fifth channel were used instead for data, the transmission rate could be as much as 1m characters a second, Mr Castell believes.

Travelling on Business in France?

Enjoy reading your complimentary copy of the Financial Times when you're staying . . .

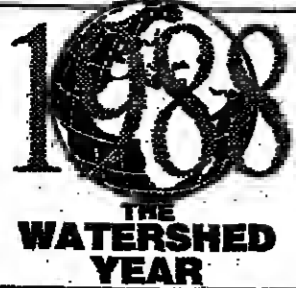
- . . . in Paris at the
 - Hôtel Bristol, Hôtel Alexander, Hôtel Commodore, Hôtel Concorde Lafayette, Hôtel de Crillon, Hôtel Queen Elisabeth, Hôtel Château Frontenac, Grand Hôtel, Holiday Inn République, Hôtel Inter-Continental, Hôtel Lancaster, Hôtel du Louvre, Hôtel Mayfair, Hôtel Mercure Montrouge, Hôtel Méridien, Hôtel Maurice, Hôtel Prince de Galles, Hôtel Royal Alma, Hôtel Royal Monceau, Hôtel Sofitel Bourbon, Hôtel de la Trémoille, Hôtel du Bailli de Suffren, Hôtel Pullman Orly, Hôtel Splendid Etoile, Hôtel Novotel les Halles, Hôtel France et Choiseul, Hôtel Terrass, Hôtel Residence Champs Elysées, St James' Club, Hôtel Mercure Porte D'Orleans, Hôtel Mayfair, Hôtel Warwick, Hôtel Pullman Windsor, Hôtel Powers, Hôtel Madison, Hôtel Cambon, Hôtel Relais Christine, Hôtel Pavillon de la Reine, Hôtel Litre, Hôtel Royal Madeleine, Hôtel Residence du Roy
- . . . in Toulouse at the
 - Hôtel Pullman, Hôtel Mercure, Grand Hôtel de l'Opera, Hôtel Sofitel Blagnac
- . . . in Bordeaux at the
 - Mapotel Terminus
- . . . in Nice at the
 - Hôtel Pullman, Holiday Inn, Hôtel Ibis Nice Aéroport, Hôtel La Malmaison, Hôtel Méridien, Hôtel Sofitel Splendid, Hôtel Beach Regency, Hôtel Westminster Concorde
- . . . in Monaco at the
 - Hôtel Beach Plaza, Hôtel Hermitage, Hôtel Mirabeau, Hôtel de Paris
- . . . in Cannes at the
 - Hôtel Carlton, Hôtel Pullman, Hôtel de Paris
- . . . in Antibes at the
 - Hôtel Bellevue
- . . . in Grenoble at the
 - Hôtel Mercure
- . . . in Mougins at the
 - Hôtel Arcadie
- . . . in St Laurent du Var at the
 - Hôtel Novotel Cap 3000
- . . . in Valbonne at the
 - Hôtel Novotel



FINANCIAL TIMES
Europe's Business Newspaper

Martin Wolf analyses the revival of the traditional view of the UK economy

The return of Go-Stop

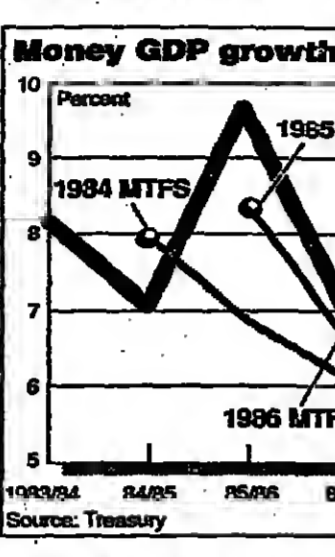


In June 1988, the Treasury's Economic Progress Report reported, under the headline Steady Growth: "During the six-year period to 1987, the UK economy achieved real growth of a little over 3 per cent a year - the best performance for 15 years. Even more striking is the steadiness of this growth. The six years to 1987 were the steadiest six-year period of growth averaging 3 per cent since the war."

The article was an excellent timed cyclical indicator, appearing at the last time that the claim of steady growth could be made with any degree of plausibility. In that very month the base rate of interest was to rise from 7.5 per cent to 9.5 per cent, with another 3 1/2 percentage points to come over the succeeding five months. The rise in interest rates has been a response to excess demand and the inability of output to keep up.

Thus the current account deficit has increased steadily, from insignificant levels a year and a half ago to £4.5bn (close to 4 per cent of gross domestic product) in the three months, September to November 1988. According to latest estimates, the deflator for gross domestic product (a better indicator of underlying inflation than the retail price index) has risen during the third quarter of 1988, to a level 6.4 per cent above that of a year earlier.

quarter of 1988 indicate that the economy is now cooling off. But this is misleading. Output is hitting capacity constraints, with the continued buoyancy of demand showing itself in the growth of the current account deficit.



The growth of real domestic demand started to rise above the longer term trend during 1986. By the second quarter of that year final domestic demand was 4.5 per cent above its level in the corresponding quarter of 1985. The OECD's latest forecast is for final domestic demand to grow at an annual rate of no less than 6 1/2 per cent in the second half of 1988.

rose by very close to 10 per cent, 2 percentage points above the target in the MTFs of March 1987. In 1988-89 nominal GDP will rise at least as much, 2 1/2 percentage points above the target in this year's MTFs.

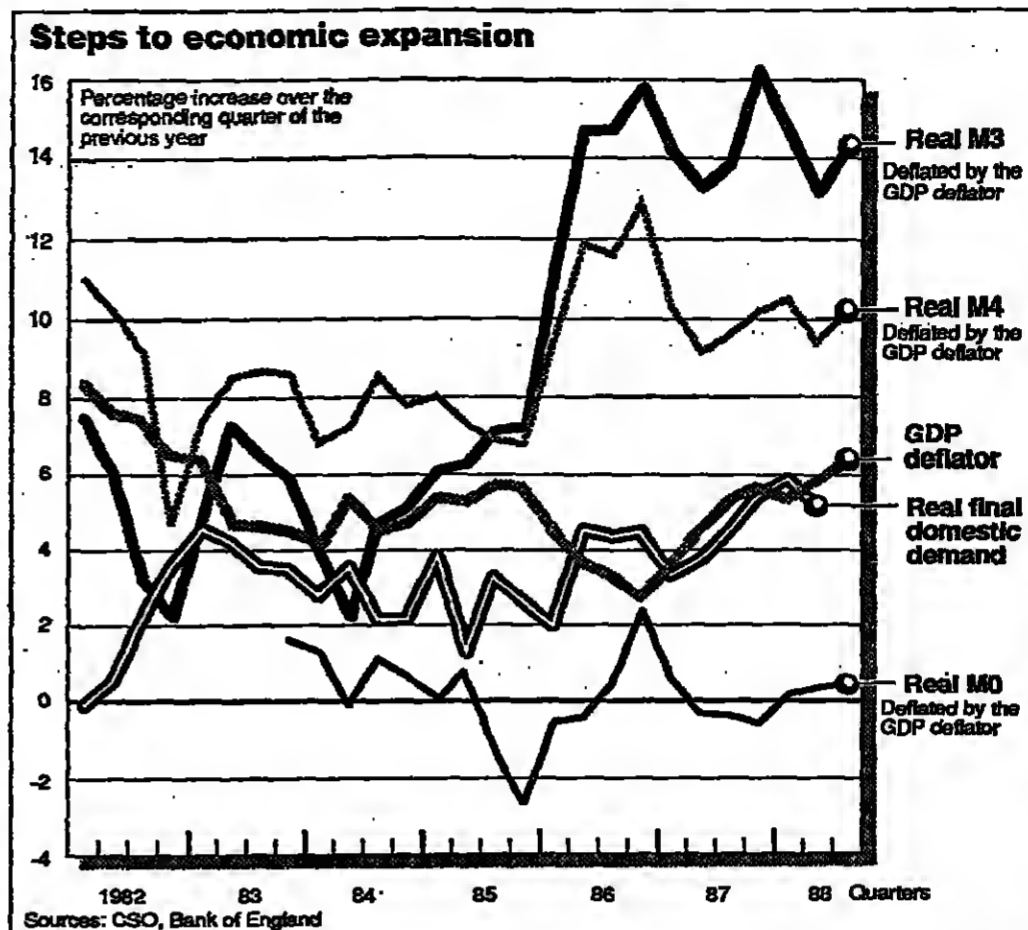
Unexpectedly rapid growth of nominal demand has been met by a favourable domestic supply response, on the one hand, and an accelerating deterioration in the foreign balance, on the other. These two "splits" (between real growth and inflation, on the one hand, and between domestic output and the current account deficit, on the other) are related.

Both imply that the growth of nominal demand has had its main effect (so far) on real variables - output and the current account - rather than on inflation. This is explained, in large measure, by the course of the exchange rate over the past three years.

appreciate. The nominal effective exchange rate for sterling reached a peak in May 1988, 17 per cent above the trough of October 1986. It has wobbled since then, but at the end of last week the effective exchange rate was little below that earlier peak.

Just as the 1986 depreciation helped to ensure a favourable supply response to the initial growth in demand, so the subsequent appreciation has contained its inflationary effects. The danger is that the inflation latent in the current account deficit will come later, following a collapse in the currency.

The key question is what has caused the acceleration in domestic demand of the past two and a half years. One important point is that the spurt in domestic demand was almost entirely unexpected in 1986, 1987 and 1988. As usual, the majority of forecasters suffered from "forecasters' drop."



Sources: CSO, Bank of England

from a declining savings ratio. The figures on the personal savings ratio indicate a decline of well over 12 percentage points from the peak in 1980, to 3 1/2 per cent of disposable income in the second quarter of 1988. Moreover, much of this decline has occurred since 1985, when the personal savings ratio was still close to 10 per cent.

The principal conclusion is simply that, provided the Government avoids an explosion in consumer expenditure, the process of accelerated growth is benign and easy to control. Hence the Government's emphasis on MD, the narrowest measure of the money supply, which is most closely related to consumer spending.

had stuck at about 7 1/2 per cent. Furthermore, unemployment was well above 3m even on the Government's favourable definitions, inflation appeared well under control and an election was pending.

LETTERS

Achieving two economic targets

From Mr M.R. Weale. Sir, Samuel Brittan (December 15) will find general endorsement for his view that an economy with two targets (price stability and an appropriate value of national debt or external national wealth) cannot be run solely by monetary policy.

and fiscal policy is determined by the structure of the economy. In the current context, this means that monetary policy, because of its effect on the exchange rate, and thus on the cost of living, must be used predominantly to control inflation.

looking around nervously for signs that the economy is slowing down after the July and October increases in interest rates. Work in Cambridge suggests that well-designed economic policies will take around 18 months to achieve a grip on inflation.

Missing the boat in Japan

From Mr Keith McDowell. Sir, Having returned recently from Japan after an interval of eight months I support Mr Ian Bayley's view (December 15) that there has been amazing progress in the availability of foreign goods in the Tokyo department stores.

Some British brands are available - good old Burberry is there - although it seemed that quite a few of the British items were locally manufactured. But compared to other European suppliers we appear to be lagging behind.

Well before inviting you to invest in a Scania truck we'll have made a substantial investment in it ourselves. For instance, over 79% of sales turnover goes into research and development to help maintain Scania's technological leadership and our reputation for reliability and for fuel economy.

service, and many of its fifteen component parts are included in the price of your new Scania. Scania investment underwrites yours - right through to the time when you sell and Scania's consistent high residual value ensures a healthy return on your initial investment.

Putting 'added value' into the discussion

From Mr L.T. Smith. Sir, Your thoughtful leader on the valuation of sterling (December 9) makes no mention of the "added value" concept which must surely be important in any discussion on currency values.

enhanced value. Both in the original currency cost of the raw materials and the selling value of the manufactured product a strong exchange rate is beneficial.

"adding value". They do not process items where the raw material content is high and the added value low.

The high price of nuclear power

From Mr Colin Sweet. Sir, Sir Alan Cottrell, in arguing for more nuclear power ("Heading towards a nuclear dead-end," December 14), is right when he draws attention to the very limited resources base for thermal nuclear reactors.

renewable. The problem with nuclear power is that it has absorbed too many resources and produced too few benefits.

reputation for reliability and for fuel economy. We also invest in Scania Lifeline. This offers Scania operators 24-hour national and international back-up

Scania (Great Britain) Limited. Milton Keynes MK15 8HR, Buckinghamshire. Telephone: 0508 210210. Telex: 525576. Fax: 0508 210186.

A successful attitude

From Mr Peter Burton. Sir, What a pity that the interesting account of the success of the Ashstead group (December 12) concluded with an inappropriate plug for Thatcherism.

approach similar to Ashstead's from 1970 onwards under the Heath, Wilson and Callaghan Governments as well as under Thatcher. I cannot say that we noticed much difference.

Such a view of the future is being increasingly rejected, not least because it obscures what has become the real issue of energy policy, which is how to apply limited resources between a great range of choices - both finite and

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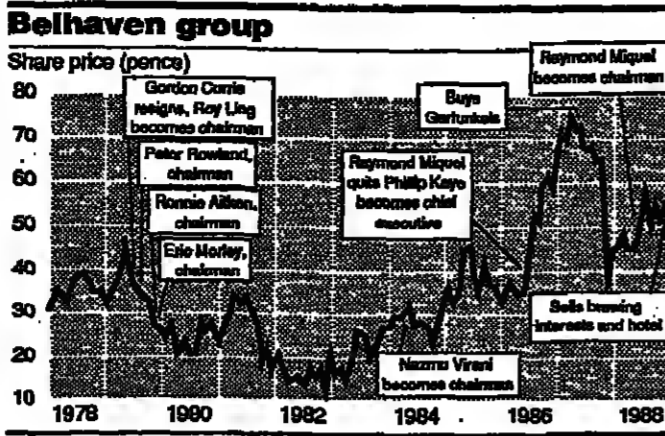
UK COMPANY NEWS

Virani back behind Belhaven bar

By Vanessa Houldier

MR NAZMU VIRANI, property entrepreneur, yesterday announced plans to regain control of the Belhaven brewing and hotel interests.

Under this deal Belhaven has relinquished its name and severed its ties with the past. It is the latest of many shifts in direction which have accompanied frequent boardroom changes in the past decade.



Belhaven group Share price (pence)

capacity of 100,000 barrels, saw its brewing profits slip by two-thirds to £27,000 for the six months to July.

hels restaurant business which joined the group in a £98.2m deal in May 1987.

The last of these was Mr Eric Morley, under whom Belhaven dabbled in holiday camps, hotels (including the Belplaza) and his Miss World company.

Textron holds 44% of Avdel

By Nikki Tait

Textron, the large US conglomerate which is making a £22m bid for Avdel, the UK fasteners group, says that share purchases made just ahead of Christmas have taken its interest to 44.1 per cent.

Kelt declares Carless bid fully unconditional

By Nikki Tait

THE BITTERLY FOUGHT £20m bid by Kelt for the larger oil independent, Carless, was finally declared fully unconditional yesterday.

Marinex Petrol for the USM

By Fiona Thompson

Marinex Petroleum, oil and gas production and exploration group, is to join the Unlisted Securities Market by way of an introduction sponsored by Kleinwort Benson Securities.

Channel Hotels lifts Marler stake

Channel Hotels and Properties, a Jersey-based company, has raised its stake in Marler Estates, the property group, to 5.01 per cent.

Dewhurst Dent still hampered by imports

By Alice Rawsthorn

DEWHURST DENT suffered a fall in pre-tax profits from £1.49m to £1.22m in the year to July 19.

The troubles first came to a head in 1978, when the company moved into loss and the auditors qualified their report.

Tate expands in Europe via £44m Spanish buy

By Alice Rawsthorn

TATE & LYLE, the sweeteners group, is to double its interest in Campo Ebro, Spain's second largest producer of cereal sweeteners and starches.

The move is the latest expansion of Tate's starch interests in continental Europe, part of an international strategy to diversify from its traditional UK cane-refining base.

Pavilion in further leisure buy

By Clare Pearson

PAVILION LEISURE yesterday unveiled another sizable addition to its leisure interests with the £9.1m purchase of Hawkstone Park, a 300 acre site in Shropshire incorporating two golf courses, a conference centre and a hotel.

This is the second big purchase by Pavilion, formerly a Glasgow theatre proprietor, following a boardroom reshuffle in August. In October, Pavilion paid £2.15m for the Aston Hippodrome, Birmingham, and also eliminated its indebtedness with a £1.31m one-for-one rights issue.

NOTICE OF REDEMPTION CITICORP 11 3/4% Notes due February 1, 1992. NOTICE IS HEREBY GIVEN THAT Citicorp has elected to redeem on February 1, 1992 (the "Redemption Date") all of its outstanding 11 3/4% Notes due February 1, 1992 (the "Notes") at a redemption price equal to the principal amount thereof plus interest accrued to the Redemption Date.

Bankers' Investment Trust assets improve

NET ASSET value per share of The Bankers' Investment Trust at the year end October 31 1988 was 89.5p compared with 79.7p at the same time last year.

totaling 2887,000 (£562,000) and other income of £107,000 (£159,000).

Portsmouth Building Society. Notice is hereby given in accordance with the Society's Rules that as from the 1st January 1989, the following rates of interest will be paid.

Heath food setback leads Northumbrian into losses

A COMBINATION of increased overheads and well-below budgeted sales pushed Northumbrian Fine Foods into a loss of £162,000 for the half year ended September 30 1988, compared to a profit of £336,000.

£2.2m) but the gross profit stayed at £539,000 (£530,000). Loss per share came to 1.6p (earnings 3.2p). The interim dividend is held at 0.75p.

Radiant up to £163,000

A 49 per cent rise in pre-tax profits from £110,000 to £163,000 was achieved at Radiant Metal Finish in the six months to August 31 on turnover ahead

13 per cent from £248,416 to £274,787.

BOARD MEETINGS table with columns for company name, date, and location.

Hillsdown in earmout change

Hillsdown Holdings, the food, furniture and property group, has renegotiated an "earnout" agreement with Hampstead Properties.

MNOPF gets more Edinburgh Fund

The Merchant Navy Officers' Pension Fund continues to pick up shares in Edinburgh Fund Managers, the Scottish fund management group which is subject to a recommended offer from British Investment Trust.

BARCLAYS UNIBOND TRUST. Copies of a Half-yearly Report to 1st November 1988 with an Explanatory Memorandum are now available to shareholders from: Barclays Unicorn International (Channel Islands) Limited, PO Box 152 Rue Des Meilans, St Helier, Jersey CHANNEL ISLANDS. (Tel: 0534 67888.)

Maybox prefers Chesterfield

CHESTERFIELD PROPERTIES has published the offer document for its recommended £7.1m takeover of Maybox Group, owner and manager of West End theatres including the Albery, Criterion, Piccadilly, Whitehall and Wyndham's.

Channel Hotels lifts Marler stake

Channel Hotels and Properties, a Jersey-based company, has raised its stake in Marler Estates, the property group, to 5.01 per cent.

FINANCIAL TIMES STOCK INDICES table with columns for Dec 23, Dec 22, Dec 21, Dec 20, Dec 19, Dec 16, 1988 High, Low, and Change.

OMRON TATEISI ELECTRONICS CO. Notice is hereby given that the directors of Omron Tateisi Electronics Co. have resolved to purchase the shares of Omron Tateisi Electronics Co. held by the British Investment Trust.

GRANVILLE SPONSORED SECURITIES. High Low Company Price Change Div Yield % P/E. 293 125 As. Brit. Ind. Ordinary 291.2d 0 10.3 3.5 7.8

Citicorp Banking Corporation U.S. \$250,000,000 Guaranteed Floating Rate Subordinated Capital Notes Due July 10, 1997 Unconditionally Guaranteed on a Subordinated Basis by CITICORP.

PIONEER ELECTRONIC CORPORATION. Notice is hereby given to holders of CDFF's issued by Caribbean Depository Company N.V., Curaçao, advising shares in the above company that the annual report of Pioneer Electronic Corporation for the financial year ended 30th September, 1988, may be obtained from:

Caribbean Depository Company N.V. 6 John R. Gorsiraweg Willemstad, Curaçao

Pearson, Holding & Pearson N.V. Herengracht 214 1016 BS Amsterdam

Notice to Holders DIASONICS 6 1/2% Convertible Subordinated Debentures Due 2001. On July 20, 1988, the Board of Directors of Diasonics, Inc. declared a dividend of one one-hundredth of a share of Series A Junior Participating Preferred Stock (a "Share Purchase Right") for each outstanding share of common stock of the Company.

Hill Samuel Bank Limited, 45 Beach Street, London EC3P 2LX. FT 30 Dec. 1442/1451 +7 Dec. 1463/1472 +10 FTSE 100 Dec. 1789/1796 +13 Mar. 1812/1822 +16 WALL STREET Dec. 2164/2176 -1 Mar. 2174/2186 -1 Prices taken at 5pm and change is from previous close at 9pm

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Wednesday December 28 1988, Index No., Day's Change, etc. Lists various market sectors like CAPITAL GOODS, BUILDING MATERIALS, etc.

Table with columns: FIXED INTEREST, AVERAGE GROSS REDEMPTION YIELDS, PRICE INDICES, etc. Lists interest rates and price indices for various terms.

3-month Index 1774.3; 10-year Index 1779.1; 11-year Index 1782.3; 15-year Index 1785.3; 20-year Index 1788.3; 25-year Index 1791.3; 30-year Index 1794.3; 35-year Index 1797.3; 40-year Index 1800.3; 45-year Index 1803.3; 50-year Index 1806.3; 55-year Index 1809.3; 60-year Index 1812.3; 65-year Index 1815.3; 70-year Index 1818.3; 75-year Index 1821.3; 80-year Index 1824.3; 85-year Index 1827.3; 90-year Index 1830.3; 95-year Index 1833.3; 100-year Index 1836.3

RISES AND FALLS YESTERDAY

Table showing rises and falls in British Funds, Corporate Bonds, Domestic and Foreign Bonds, etc.

LONDON RECENT ISSUES

Table listing recent issues with columns: Issue, Amount, Date, etc. Includes issues like British Telecom, etc.

FIXED INTEREST

Table listing fixed interest rates for various terms and currencies.

RIGHTS OFFERS

Table listing rights offers with columns: Issue, Amount, Date, etc.

TRADITIONAL OPTIONS

First Dealings, Last Dealings, Last Declarations, For settlement

LONDON TRADED OPTIONS

Large table showing various options with columns: Option, Calls, Puts, etc. Includes options on various stocks and indices.

WORLD COMMODITIES PRICES

LONDON METAL EXCHANGE

Table listing London metal exchange prices for various metals like Gold, Silver, etc.

LONDON METAL EXCHANGE TRADED OPTIONS

Table listing London metal exchange traded options for various metals.

SOYABEAN MEAL & OIL

Table listing soyabean meal and oil prices.

GRAINS & OILS

Table listing grain and oil prices.

US MARKETS

A STRONGER dollar put downward pressure on the metals, but their market conditions still exist, reports Drexel Burnham Lambert...

NEW YORK

Table listing New York market prices for various commodities.

CRUDE OIL (Light) 42,000 US gallons/barrrel

Table listing crude oil prices.

COFFEE 'C' 37,500 lbs/cents/bushel

Table listing coffee prices.

SUGAR WORLD "11" 112,000 lbs/cents/tw

Table listing sugar prices.

GRAPES & CITRUS

Table listing grape and citrus prices.

ORANGE JUICE 15,000 lbs/cents/tw

Table listing orange juice prices.

Chicago

Table listing Chicago market prices for various commodities.

SOYABEAN OIL 60,000 lbs/cents/tw

Table listing soyabean oil prices.

SOYABEAN MEAL 100 lbs/cents/tw

Table listing soyabean meal prices.

WHEAT 5,000 bu/m/cents/80lb-bushel

Table listing wheat prices.

LIVE CATTLE 40,000 lbs/cents/tw

Table listing live cattle prices.

LIVE HOGS 30,000 lb/cents/tw

Table listing live hogs prices.

PORK BELT 30,000 lbs/cents/tw

Table listing pork belt prices.



Dollar stocks firm in quiet market

A SLOW return to work in the City of London left trading desks lightly manned at the big securities houses yesterday.

Account Dangling Dates table with columns for First Dangling, US Dollar Dangling, and Last Dangling.

In line with expectations, it reduced for the time being apprehensions of a further rise in domestic bank base rates from their current 13 per cent level.

Building Society, Britain's largest building society, which warned that further rises could force a drop in UK house ownership.

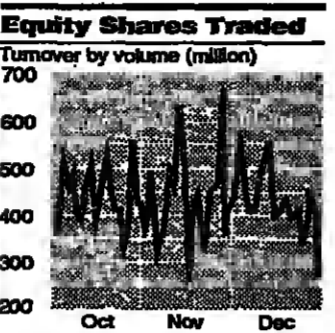
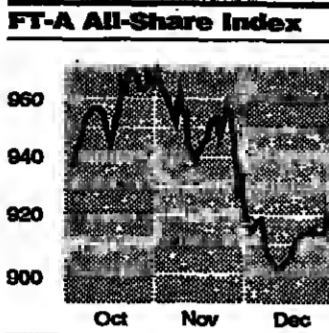
At the close, the FT-SE stood at 1787.7, the day's best level and a gain of 13.7 on the session.

their gains took the FT-SE index to higher ground. Prices topped off in London, however, until a firm opening on Wall Street gave fresh encouragement.

FINANCIAL TIMES STOCK INDICES table with columns for Dec 28, Dec 29, Dec 30, Dec 31, Year, 1988, and Since Completion.

Iceland victory at hand

One of the few hot spots in the market yesterday was provided by the tail end of the long-running saga of Iceland Frozen Food's bid for Bejam.



month. But they have recovered as the view has gained currency that NEI is now a target for a hostile bid, either from Rolls or from an overseas company anxious to gain access to the UK power generation market.

of Rascal Telecom (RTG) was highlighting the relative cheapness of Rascal Electronics shares continued yesterday.

TRADING VOLUME IN MAJOR STOCKS table with columns for Stock, Value, and Price.

Stake raised

Unigate tried to repeat its pre-Christmas form, but failed to respond as well as expected to news that the Irish entrepreneur Mr L Goodman had raised his interest from 4.97 to 7.89 per cent.

bidder for Unigate, and the reason for the shares' disappointing performance seemed to be talk that the increase in the stake was options-related.

which support can be expected on the fundamentals. Market-makers saw steady buying interest yesterday and, with several larger deals reported later, volume eventually totalled 3.9m shares.

Body Shop rose 13 to 503p and Sears added 3 to 110p, on the back of reports that the pre-Christmas period may have been better for retailers than expected.

International stocks were unexciting. Price rises did not reflect actual business as dealers awaited orders which failed to materialise.

and added 9 to 345p. Unilever gained 6 to 455p amid unlikely talk that it might bid for American Brands, the US tobacco group.

Tootal advanced further, attaining a high point for the year as speculation continued over the intentions of Mr Abraham Goldberg of Australia who, with his family, has bought a 9.22 per cent stake.

groups will avoid financial loss while benefiting from upward pressure on crude prices. Shell, which said it could be "weeks and possibly months" before production was resumed following the forced closure of its highly productive Fulmar field.

NEW HIGHS AND LOWS FOR 1988

- NEW HIGHS (21): AMERICAN CO. CANADARIAN (1), BANCOR (2), Bank Stock (3), B&W (4), B&W (5), B&W (6), B&W (7), B&W (8), B&W (9), B&W (10), B&W (11), B&W (12), B&W (13), B&W (14), B&W (15), B&W (16), B&W (17), B&W (18), B&W (19), B&W (20), B&W (21).

APPOINTMENTS

Girobank senior posts

- Mr Doug Martin (above) has been appointed GROBANK's south west region general manager, based in Exeter, in succession to Mr Roger Warriner. Mr Martin was head of corporate accounts and lending services, in London. Mr Warriner takes on central development and co-ordination responsibilities for the bank, based in Bootle, Merseyside.

- Mr Nigel Beglin has been appointed sales and marketing director of DRINKMASTER, a BET subsidiary.
- Mr William Foesick, a director, has been appointed chairman of BRITISH EMPIRE SECURITIES AND GENERAL TRUST in succession to Mr Roger Wain who remains a director.
- Mr Steven Atkinson has been promoted to managing director of FERRARI's small appliance UK operation. He was UK sales manager.



ROYAL LIFE HOLDINGS has appointed Mr Mike Kershaw (above) as investment manager with overall responsibility for both unit-linked and non-unit-linked funds. He was responsible for the company's unit trusts and unit-linked life funds. The total portfolio under Mr Kershaw's control is over 26.5bn.

Contract catering

Advertisement for Gardner Merchant contract catering. Text includes: 'With an annual turnover exceeding £500m, Gardner Merchant is Europe's largest contract catering company and a world leader in its field.' Logo for Gardner Merchant and Trusthouse Forte.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-825-2128

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Abbey Growth, Abbey Income, etc., with columns for Name, Manager, and Unit Price.

Table listing unit trusts under the heading 'B & C Unit Trusts', including B & C Growth, B & C Income, etc.

Table listing unit trusts under the heading 'Canada Life Unit Trusts', including Canada Life Growth, Canada Life Income, etc.

Table listing unit trusts under the heading 'Fidelity Investment Services Unit Trusts', including Fidelity Growth, Fidelity Income, etc.

Table listing unit trusts under the heading 'Henderson General Fund Managers Unit Trusts', including Henderson Growth, Henderson Income, etc.

Table listing unit trusts under the heading 'M & S Securities Unit Trusts', including M & S Growth, M & S Income, etc.

Table listing unit trusts under the heading 'NIM British Unit Trusts', including NIM Growth, NIM Income, etc.

Table listing unit trusts under the heading 'Royal Life Fund Managers Unit Trusts', including Royal Life Growth, Royal Life Income, etc.

CROSSWORD

No.6,821 Set by FETTLER

Crossword puzzle grid with numbers indicating starting positions for words.

- ACROSS
1 Sprinkle when the sun's out, as do April showers (6)
2 Correctly support, then rely on being aligned (8)
3 The most effective check on reflexes, we hear (7)
4 Quietly carry on, i.e. accept without question (7)
5 Headless spectre that in charge of other spirits (4)
6 Back remained back inside (10)
7 So one's adjusted suspenders (6)
8 One rosette migrating one hundred left starting (7)
9 Bob's inclined to be stiff (7)
10 Having to pay to be in servitude (6)
11 Showing aloofness, men chatted lily (10)
12 Give workman a pointer (4)
13 See this oatmeal's valiant struggles (7)
14 It's the others I've found to be refractory (7)
15 A pastoral cantata such as "Trees" - an amateur production (6)
16 Administrators grace or coup de grace (6)
17 For promotion in the church, they prefer men to women (10)
18 Stir up riots with a bit of talk-acting (8)
19 Eases life? Yes, then gives way (6)
20 Clearly courts back trustworthiness (8)
21 Thought that's mirrored (10)
22 Takes Roland, for example, in ingenious story (9)
23 Short discourse - ooe's term for a diversion (6)
24 Debated a reform that is short resources (8)
25 R's the ultimate in puns for grown-ups (6)
26 Damaged retina (end detached) being unable to move (5)
27 Spud's an uncommon treat (6)
28 He once ruled in ancient Sarmatia (4)
29 Solution to Puzzle No.6,820

Answers to the crossword puzzle, including words like 'SPRINKLER', 'SUPPORTIVE', 'REFLEXES', etc.

Table listing unit trusts under the heading 'Barrington Unit Trusts', including Barrington Growth, Barrington Income, etc.

Table listing unit trusts under the heading 'Barrington Unit Trusts', including Barrington Growth, Barrington Income, etc.

Table listing unit trusts under the heading 'Barrington Unit Trusts', including Barrington Growth, Barrington Income, etc.

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GUIDE TO UNIT TRUST PRICING
MUTUAL CHANGES
When a unit trust changes its name, its structure, its investment objectives or its manager, the price of its units will change. This price is known as the 'new price' and is usually higher than the 'old price'.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, and other details. Includes sections for 'INSURANCES' and 'OTHER UK UNIT TRUSTS'.

OTHER UK UNIT TRUSTS

Table listing other UK unit trusts with columns for Name, Price, and other details.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sections for National Mutual Life, Prudential Life Assurance Co Ltd, and various other trust providers.

MANAGEMENT SERVICES

Table listing management services with columns for Name, Price, and other details.

OFFSHORE AND OVERSEAS

Table listing offshore and overseas investment options with columns for Name, Price, and other details.

UK LISTED

Table listing UK listed investment options with columns for Name, Price, and other details.

IoM AUTHORIZED

Table listing IoM authorized investment options with columns for Name, Price, and other details.

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, Yield, and other financial metrics.

Table of London Share Service, listing various British Funds, Foreign Bonds & Rails, and American Stocks with columns for Name, Price, Yield, and other financial metrics.

Money Market Trust Funds
Money Market Bank Accounts
UNIT TRUST NOTES
Prices are as at the time of publication and are subject to change without notice.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-825-2126

AMERICANS - Contd

Table listing American stocks with columns for Stock, Price, and % Change.

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, and % Change.

BANKS, HP & LEASING

Table listing bank and leasing stocks with columns for Stock, Price, and % Change.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit stocks with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS Contd

Table listing building, timber, and road stocks (continued) with columns for Stock, Price, and % Change.

CHEMICALS, PLASTICS

Table listing chemical and plastic stocks with columns for Stock, Price, and % Change.

DRAPERY AND STORES

Table listing drapery and store stocks with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks (continued) with columns for Stock, Price, and % Change.

ELECTRICALS

Table listing electrical stocks with columns for Stock, Price, and % Change.

ENGINEERING - Contd

Table listing engineering stocks (continued) with columns for Stock, Price, and % Change.

ENGINEERING

Table listing engineering stocks with columns for Stock, Price, and % Change.

ENGINEERING - Contd

Table listing engineering stocks (continued) with columns for Stock, Price, and % Change.

FOOD, GROCERIES, ETC

Table listing food, grocery, and other stocks with columns for Stock, Price, and % Change.

HOTELS AND CATERERS

Table listing hotel and catering stocks with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial stocks with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.) - Contd

Table listing miscellaneous industrial stocks (continued) with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.)

Table listing miscellaneous industrial stocks with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.) - Contd

Table listing miscellaneous industrial stocks (continued) with columns for Stock, Price, and % Change.

INSURANCES

Table listing insurance stocks with columns for Stock, Price, and % Change.

LEISURE

Table listing leisure stocks with columns for Stock, Price, and % Change.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

LEISURE - Contd

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists various leisure companies like BHS, Debenhams, etc.

PROPERTY

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists property companies like British Land, etc.

TEXTILES - Contd

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists textile companies like Burberry, etc.

TRUSTS, FINANCE, LAND - Contd

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists various trusts and financial institutions.

OIL AND GAS - Contd

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists oil and gas companies like BP, etc.

MINES - Contd

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists various mining companies.

MOTORS, AIRCRAFT TRADES

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists motor and aircraft trade companies.

TOBACCO

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists tobacco companies.

TRUSTS, FINANCE, LAND

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists various trusts and financial institutions.

OVERSEAS TRADERS

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists overseas trading companies.

PLANTATIONS

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists plantation companies.

THIRD MARKET

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists companies traded on the third market.

Commercial Vehicles

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists commercial vehicle companies.

Components

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists automotive component companies.

Garages and Distributors

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists garage and distributor companies.

Finance, Land, etc

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists various financial and land-related companies.

MINES

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists various mining companies.

Central Rand

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists companies from the Central Rand region.

NEWSPAPERS, PUBLISHERS

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists newspaper and publishing companies.

PAPER, PRINTING, ADVERTISING

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists paper, printing, and advertising companies.

SHIPPING

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists shipping companies.

SHOES AND LEATHER

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists shoe and leather companies.

SOUTH AFRICANS

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists companies from South Africa.

TEXTILES

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists various textile companies.

Oil and Gas

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists various oil and gas companies.

Australians

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists companies from Australia.

Regional & Irish Stocks

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists regional and Irish stocks.

Traditional Options

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists traditional options.

Property

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists property companies.

Mines

Table with columns: Stock, Price, % Chg, Bid, Offer, P/E, Div. Yld. Lists various mining companies.

Disclaimer text: This service is available to every company dealt in on the Stock Exchange... (text continues)

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar firm in thin trading

LAST MINUTE window dressing before the end of the year, provided a firmer undertone for the dollar yesterday. Trading volume was extremely thin, with only a trickle of corporate book squaring to occupy dealers' time.

Against this background, trading seems likely to remain subdued until after the New Year celebrations this weekend.

The outlook for the dollar after that is less than clear. Many forecasters are suggesting a further orderly decline in the US unit, at least until after the Bush administration moves into gear.

manoeuvres such as higher Euro-dollar rates, or a bear squeeze, similar to the one so successfully executed by central banks this time last year, may well deter some investors from running too short on dollars.

The US unit finished at DM1.7895, up from DM1.7760 and Y125.40 compared with Y124.85. Elsewhere, it closed at SF1.6120 from SF1.4985 and FF16.1075 against FF16.0650.

Changes are for US, therefore positive change shows a weak currency. Adjustments calculated by Financial Times.

UK LONG gilt futures lost ground in London's Liffe market yesterday, falling in line with a weaker US bond market. Trading volume was extremely low, and in the absence of any fresh buying, values were marked down.

Despite the softer tone, which was mainly a liquidation of positions after the lack of any response to UK trade figures for November revealed last Friday, traders view UK gilt futures as a bullish instrument. Despite predictions of higher inflation, sentiment has been mildly lifted by signs of a slowdown in UK consumer spending.

FINANCIAL FUTURES

Gilt prices slightly weaker

UK LONG GILT FUTURES OPTIONS

ESTIMATED VOLUME TOTAL: Gilt 91 Pts 250

US TREASURY BOND FUTURES OPTIONS

ESTIMATED VOLUME TOTAL: Gilt 233 Pts 275

FT-100 INDEX FUTURES OPTIONS

ESTIMATED VOLUME TOTAL: Gilt 200 Pts 300

C IN NEW YORK table with columns for Dec-28, Latest, Previous, One

EMS EUROPEAN CURRENCY UNIT RATES table with columns for Country, Unit, Rate, % change

PHILADELPHIA SE 5% OPTIONS table with columns for Strike, Call, Put, Price

LONDON SE 5% OPTIONS table with columns for Strike, Call, Put, Price

ESTIMATED VOLUME TOTAL: Gilt 200 Pts 300

STERLING INDEX

STERLING INDEX table with columns for Date, Index, Change

POUND SPOT - FORWARD AGAINST THE POUND

POUND SPOT - FORWARD AGAINST THE POUND table with columns for Date, Day's spot, Close, One month, %

LONDON (LIFFE)

LONDON (LIFFE) table with columns for Date, High, Low, Pre, Post

CHICAGO

CHICAGO table with columns for Date, High, Low, Pre, Post

JAPANESE YEN INDEX

JAPANESE YEN INDEX table with columns for Date, High, Low, Pre, Post

CURRENCY RATES

CURRENCY RATES table with columns for Currency, Bank rate, Spot, Forward

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR table with columns for Date, Day's spot, Close, One month, %

U.S. TREASURY BILLS (MM)

U.S. TREASURY BILLS (MM) table with columns for Date, High, Low, Pre, Post

U.S. TREASURY BONDS (BT)

U.S. TREASURY BONDS (BT) table with columns for Date, High, Low, Pre, Post

U.S. TREASURY BILLS (MM)

U.S. TREASURY BILLS (MM) table with columns for Date, High, Low, Pre, Post

CURRENCY MOVEMENTS

CURRENCY MOVEMENTS table with columns for Currency, Movement, %

EURO-CURRENCY INTEREST RATES

EURO-CURRENCY INTEREST RATES table with columns for Currency, Term, Rate

U.S. TREASURY BONDS (BT)

U.S. TREASURY BONDS (BT) table with columns for Date, High, Low, Pre, Post

U.S. TREASURY BILLS (MM)

U.S. TREASURY BILLS (MM) table with columns for Date, High, Low, Pre, Post

U.S. TREASURY BONDS (BT)

U.S. TREASURY BONDS (BT) table with columns for Date, High, Low, Pre, Post

OTHER CURRENCIES

OTHER CURRENCIES table with columns for Currency, Rate

EXCHANGE CROSS RATES

EXCHANGE CROSS RATES table with columns for Currency, Rate

U.S. TREASURY BONDS (BT)

U.S. TREASURY BONDS (BT) table with columns for Date, High, Low, Pre, Post

U.S. TREASURY BILLS (MM)

U.S. TREASURY BILLS (MM) table with columns for Date, High, Low, Pre, Post

U.S. TREASURY BONDS (BT)

U.S. TREASURY BONDS (BT) table with columns for Date, High, Low, Pre, Post

MONEY MARKETS

UK rates steady as pound holds firm

UK INTEREST rates traded quietly in the aftermath of the Christmas break in London yesterday. Period rates were little changed, as traders marked time until the end of the year.

Sterling's steady tone, and the absence of any economic data meant that most institutions were content to close their books and wait until the New Year.

The forecast was revised to a shortage of around \$50m, but the Bank did not intervene during the morning. A further revision took the forecast to a flat position, and again there was no help offered by the Bank.

In Paris, the Bank of France moved to inject liquidity into the money market, through a further sale and repurchase facility. Exceptional demands on short-term liquidity ahead of the year-end were cited by dealers as the principle reason behind the move.

FT LONDON INTERBANK FIXING

FT LONDON INTERBANK FIXING table with columns for Term, Rate

MONEY RATES

MONEY RATES table with columns for Term, Rate

LONDON MONEY RATES

LONDON MONEY RATES table with columns for Term, Rate

Treasury Bills (bill): one-month 12 1/2 per cent; three months 12 1/2 per cent; six months 12 1/2 per cent; one year 12 1/2 per cent.

SPAIN

The Financial Times proposes to publish this survey on: 13th February 1989

For a full editorial synopsis and advertisement details, please telephone: Richard Oliver on Madrid 459 01 50

or write to her at: Bracken House 10 Cannon Street London EC4P 4BY

FINANCIAL TIMES

The European Traded Options table was not available for this edition.

BASE LENDING RATES

BASE LENDING RATES table with columns for Bank, Rate

BORD GAIS advertisement featuring a portrait of a man and text: Bord Gáis Éireann is the State Gas Development Agency. Its function is to buy, sell, transmit and distribute natural gas in Ireland.

WORLD STOCK MARKETS

Main table of world stock markets including sections for Austria, France, Germany, Italy, Sweden, Switzerland, and Japan. Each section lists various stocks with their prices and changes.

CANADA section containing Toronto stock market data for December 28, listing various Canadian stocks and their performance.

NEW YORK DOW JONES section showing the Dow Jones Industrial Average and other market indices for December 27-29, 1988.

CANADA section showing Canadian stock market data for December 27-29, 1988, including various Canadian stocks.

NEW YORK ACTIVE STOCKS section listing active stocks in the New York market, including company names and their stock prices.

TOKYO - Most Active Stocks section listing the most active stocks in the Tokyo market for Wednesday, December 28, 1988.

Advertisement for 'Have your FT hand delivered every day in Switzerland' by Financial Times, featuring a list of phone numbers for various Swiss cities and a subscription offer for 12 free issues.

Vertical text on the left margin containing contact information and other details, including 'Propose to...' and 'on Madrid 50'.

3pm prices December 28

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices for various companies, organized in columns with headers for High, Low, Stock, Div, Yld, etc.

Continued on Page 27

NYSE COMPOSITE PRICES

OVER-THE-COUNTER

Nasdaq national market, 3pm prices December 28

Main table of NYSE Composite Prices listing various stocks with columns for 12 Month High/Low, P/E, Div. Yld., and Close Price.

Table of Over-the-Counter prices listing various stocks with columns for Bid, Ask, and Last Price.

Notes regarding sales figures and dividend information for the listed companies.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for 12 Month High/Low, P/E, Div. Yld., and Close Price.

Table of AMEX Composite Prices listing various stocks with columns for 12 Month High/Low, P/E, Div. Yld., and Close Price.

Vertical text on the left margin: age at op T data ineering

Vertical text on the left margin: 1988

Advertisement for 'Have your FT hand delivered...' with contact information for Bill Vogiatzis and Ewa Malinka.

Advertisement for 'Have your FT hand delivered...' featuring the Vienna logo and contact details.

AMERICA

Holiday torpor restricts price changes and volume

Wall Street

HOLIDAY TORPOR continued to keep equity price movements in a narrow range yesterday, writes Janet Bush in New York.

again as the US currency fell from its session highs. The second focus for US financial markets continues to be the outlook for US interest rates.

The company said it would take a charge of \$40m to \$45m in the fourth quarter related to reorganisation plans.

Canada

WEAK gold prices pushed gold mining stocks lower as Toronto declined at mid-session. Gold was down \$5 at \$415.90 per ounce in New York.

EUROPE

Profits taken after bourses reach new peaks

IT WAS another quiet day for European bourses yesterday as volumes remained thin and share prices moved only slightly overall, writes Our Markets Staff.

shares changing hands, on news that it had boosted its stake in GTM-Entrepose to 37% per cent from 31% per cent.

trains for Spain. ZURICH followed the dollar upward - helped also by the record close in Tokyo.

ADRs in New York. AMSTERDAM drew strength from London's rise and the firmer dollar to reach a new year high at midday of 106.4.

months, put on BFr120 to BFr7,820. Shares in Societe Generale subsidiaries FN and Gechem also rose.

Cross-border approach wins fans

Alison Maitland on the moves toward sectoral analysis in Europe

ADOPTING a top-down or a sideways approach sounds like something more appropriate in an area less than European stock markets.

of the big telecommunications players like Siemens, Ericsson, Alcatel and Philips.

clists, the diversity of European markets is also a barrier to further cross-border coverage.

are doing," he says. Kleinwort's efforts this year have instead been directed at asset allocation.

ENCOURAGED by the promising outlook for the new year, investors continued their selective buying to lift the Nikkei average to yet another new high and close the last session of 1988 on an extremely positive note, writes Michiko Nakamoto in Tokyo.

of living in certain regions and steps to improve the country's infrastructure are expected to affect the market.

and the subsequent 80 per cent reduction in capital, fell the maximum allowable amount in a single session for the fourth consecutive day.

TRADING remained quiet in the Asia Pacific markets with many institutions staying away during the Christmas holiday.

Advertisement for Leyland DAF trucks. Features a large image of a truck and text: '5 STRONG MANAGEMENT PERFORMANCE', '4 OUTSTANDING FINANCIAL PERFORMANCE', '3 BEST RANGE OF VANS AND TRUCKS', '2 EXTENSIVE DEALER NETWORK', 'THE DRIVING FORCE FOR THE FUTURE', 'Leyland DAF'.

Table with columns: NATIONAL AND REGIONAL MARKETS, TUESDAY DECEMBER 27 1988, MONDAY DECEMBER 26 1988, DOLLAR INDEX. Rows include Australia, Austria, Belgium, Canada, Denmark, Finland, France, West Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, USA, Europe, Pacific Basin, Euro-Pacific, North America, etc.

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US \$ Index), 96.791 (Pound Sterling) and 94.94 (Local). Copyright, The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries.